PJX Resources Inc.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2013 and 2012

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The following is management's discussion and analysis of the operating results and financial condition ("MD&A") of PJX Resources Inc. ("PJX" or the "Company") for the three and nine months ended September 30, 2013 ("Q3 F2013") and its financial position as at September 30, 2013 and should be read in conjunction with the unaudited condensed interim financial statements of the Company and notes thereto at September 30, 2013. The comparative reporting periods are the three and nine months ended September 30, 2012 ("Q3 F2012").

The condensed interim financial statements of PJX for the period ended September 30, 2013 have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB. All monetary amounts are expressed in Canadian dollars.

Additional information has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at www.sedar.com.

The date of this report is November 26, 2013.

Company Overview

The Company's principal business is the acquisition, exploration and development of mineral resource properties in Canada. The Company's goal is to build shareholder value and community opportunity through the exploration, discovery, and development of mineral resources, with a focus on gold. The Company's principal mineral property is the Dewdney Trail Property. The Company has acquired 100% interest in the Dewdney Trail Property along with 100% interest in the Zinger, Eddy and Vine Properties. (See "Highlights for Q3 F2013 - Operations" below).

The Company also has an option to earn a 50% interest in Vine Extension Property under the Vine Extension Option Agreement (the "Vine Agreement") with Klondike Gold Corp. The Vine Extension Property (the "Vine Extension") is a 6,300 hectare property that is contiguous with the Vine Property.

The Technical Report written by R.I. Thompson, PhD, P.Eng, a Qualified Person within the meaning of National Instrument 43-101, concludes that gold showings on the Dewdney Trail Property exhibit many features in common that support potential for a large tonnage deposit of the Sediment Hosted Vein type (SHV). SHV deposits are some of the largest gold producers in the world.

Forward-Looking Information

This MD&A contains "Forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information concerning PJX's exploration program as well as PJX's strategies and future prospects. Generally, Forward-looking information can be identified by the use of Forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the Forward-looking information. Assumptions upon which such Forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials. Many of these assumptions are based on factors and events that are not within the control of PJX and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such Forward-looking information include changes in market conditions, variations in ore reserves, resources, grade or recovery rates, risks relating to international operations (including legislative, political, social, or economic developments in the jurisdictions in which PJX operates), economic factors, government regulation and approvals, environmental and reclamation risks, actual results of exploration activities, fluctuating metal prices and currency exchange rates, costs, changes in project parameters, conclusions of economic evaluations, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and the availability of skilled labour, failure of plant, equipment or processes to operate as anticipated, capital expenditures and requirements for additional capital, risks associated with internal control over financial reporting, and other risks of the mining industry as well as those risk factors discussed in the Long Form Prospectus of PJX available at www.sedar.com. Although PJX has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that Forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. PJX undertakes no obligation to update Forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on Forward-looking information.

Nature of Operations and Going Concern

The principal activities of the Company are mineral exploration projects located near Cranbrook, British Columbia. The Company is considered to be in the exploration stage and has no producing properties and, consequently, has no current operating income or cash flow. Financing of the Company's activities to date has been obtained from equity issues.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional funds in order to fund its working capital and exploration requirements and eventually to generate positive cash flows either from operations or the sale of properties.

The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

Highlights for Q3 F2013

Operations

The Company continued to focus efforts on reducing non-essential general administration expenses while advancing exploration projects and concluding strategic property consolidation.

- General and administration expenses for the three and nine month-periods ended September 2013, when compared to the same period of last fiscal year declined by 41.7% and 23.3% respectively.
- On July 15, 2013 the Company announced that it entered into a Purchase and Sale Agreement (the "P&S Agreement") with SG Spirit Gold Inc. ("SG") where PJX will have 100% ownership with no NSR or other retained interest by SG, and PJX will not have to complete approximately $750,000 in remaining work commitments. The results of this endeavor help reduce the long term contractual obligations of the Company and better position it to capitalize on the full potential of the Cranbrook gold and base metal properties.

Exploration

Exploration has identified numerous target areas with gold and base metal potential on the Dewdney Trail, Zinger and Vine properties.

Dewdney Trail Property

- Exploration results from mapping and sampling are being compiled with historical work to define targets in high priority areas with potential for gold deposits. The results of this work will be used to plan follow-up testing.

Zinger Property

- Mapping has identified geological structures that appear to control the distribution and concentration of gold mineralization. Drilling has shown that gold mineralization can occur over wide intervals. Historical surface sampling has identified an 8 kilometre ("km") long and 1.5 km wide area covering showings with up-to 39 grams per tonne ("g/t") gold in rock grab samples. The Company's new understanding of structural controls that may influence gold deposition is being used to identify priority targets along the 8 km trend.

Vine Property

- Over 50 historical drill holes on the Vine deposit have been digitized for computer modeling. The sub-vertically dipping Vine vein was last drilled in the early 1990's. The Vine vein has a reported historical resource that was not prepared in accordance with current 43-101 standards. Review of the modeled data has identified potential targets to test on strike and at depth of the known mineralization.
- Ground geophysics has identified a positive gravity anomaly, located north of the Vine vein occurrence. The anomaly defines an area approximately 2 km in width and 3-4 km in length with an apparent shallow dip to the north. It appears to parallel stratigraphy within Proterozoic-age Aldridge Formation sedimentary rocks that correlate with those that hosted the Sullivan lead-zinc-silver massive sulphide deposit, located 35 km north of the property. The gravity anomaly identifies more dense material that could represent massive sulphides. Two historical holes drilled by Kokanee Explorations Ltd. in 1990 and Consolidated Ramrod Gold Corporation in 1994, intersected lead-zinc-silver mineralization in massive sulphides at depths of approximately 700m and are located on the western edge of the gravity anomaly.

Events subsequent to the Period End

- On October 17, 2013 PJX announced the Company has completed the acquisition of a 100% interest in the Dewdney Trail, Zinger, Eddy and Vine Properties (the Properties) that were initially under option to PJX from SG.

- Subsequent to quarter end, on November 20, 2013, the Company announcement a non-brokered private placement of up to 4.8 million units for total proceeds of up to $600,000 through the issuance of flow through ("Flow Through Unit") and non-flow-through units ("Unit") at a price of $0.15 per flow through unit and $0.125 per non-flow through unit. Each Unit, whether acquired as part of a Unit or a Flow Through Unit, will consist of one common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.20 for 24 months following completion of the offering.

- During November, 2013 the Company granted an aggregate of 1,018,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Stock Option Plan, at an exercise price of $0.15 per share. The options are fully vested and exercisable until November 15, 2018.

Strategy and Objectives

PJX's strategy is to build opportunity by using innovative technology and approaches to explore and develop areas with high potential for world class gold and other metal deposits.

Objectives for 2013

- Approximately 75% of available historical data on the Dewdney Trail, Zinger, Eddy and Vine properties has been compiled into an electronic database. The remaining 25% is to be compiled.
- The current compilation of historical and recent survey data has identified numerous target areas on all the properties. The many target areas will be prioritized for further field surveys, trenching and/or drilling to unearth new gold or base metal discoveries.
- Reduce non-essential general and administration expenses.
- Systematically advance exploration projects.
- Continue to undertake strategic property consolidation.
- Continue to communicate to existing and prospective shareholders the potential of the Cranbrook properties and how PJX will attempt to realize that potential.

Key Performance Drivers

The ability of the Company to continue exploration is dependent on the ability to raise capital in the market. Equity capital interest in PJX depends on the price of gold, exploration results and the market's appetite for risk.

2012 was a volatile period for all stock markets. 2013 has continued volatility, lower metal prices and a reduced appetite for risk. Market volatility, the price of gold and the appetite for risk cannot be controlled by the Company. However, the Company has assembled a team that has more than 100 years of working experience in the mining and exploration industry to help meet its related challenges. With gold and other metals continuing to trade at relatively high prices compared to the historical past, and positive exploration results, PJX believes it is well positioned to attract investor interest. The prime objective is to focus resources on exploration activities to discover a gold and/or non-precious metal deposit. Marketing activities will be continued to communicate PJX's exploration results and potential.

Ability to Deliver Results

PJX's Board is made up of members with experience in all aspects of the minerals and metals industry from early stage exploration through to production stage companies. In order to advance its exploration projects effectively, the Company contracts experienced mineral exploration professionals with many years of working experience specific to our geographic regions of interest.

Exploration

On September 14, 2010, the Company entered into an Option Agreement (the "Cranbrook Properties Agreement") with Ruby Red Resources Inc. (now SG Spirit Gold Inc.), whereby PJX may earn up to an 80% interest in 4 mineral properties owned by SG in the Cranbrook area of southeastern British Columbia. The 4 properties are the Dewdney Trail gold property, the Zinger gold property, the Eddy gold property, and the Vine polymetallic (gold-silver-lead-zinc-copper) property (the "Cranbrook Properties"). To earn its interest, PJX has to complete a series of cash payments totalling $215,000 and work commitments totalling $2.5 million over a four year period. Once vested, the Company may earn up to 100% interest, subject to a 2% NSR with a buyback of 1% should SG decide not to participate in funding joint venture exploration programs.

On October 25, 2011 the Company entered into an amendment of the Cranbrook Properties Agreement. Under the terms of the amended agreement the parties agreed to add to the area of the property thirty-eight (38) additional claims owned by SG, representing approximately 12,800 additional hectares adjacent to the original Cranbrook Properties, at no additional cost to PJX and no change to the Terms of the Cranbrook Property Agreement.

On July 15, 2013 the Company announced that it has entered into a Purchase and Sale Agreement with SG (the "P&S Agreement") to acquire a 100% interest in the Cranbrook properties described in note 9(I) of the Company's financial statements for the nine months ended September 30, 2013.

The initial option agreement with SG, dated September 14, 2010, allowed PJX to earn up to an 80% interest in the properties by spending $2.5 million in exploration work and paying $215,000 in cash payments over 4 years. Under the P&S Agreement, PJX will have full ownership with no Net Smelter Return ("NSR") or other retained interest by SG. PJX will also not be required to complete approximately $765,000 in remaining work commitments. The P&S Agreement requires PJX to make the remaining cash payments of $125,000 that would have had to be made under the SG Agreement, and issue 500,000 PJX common shares to SG. SG has agreed to not sell the Shares for a period of 2 years from the closing date of the agreement and vote with PJX Management and Board during this period. If, at any time after 2 years, SG wishes to assign, sell or transfer the Shares, SG must notify PJX and PJX will have the opportunity to arrange for the sale of the Shares on terms not less favourable to SG than the terms contained in the notice provided by SG.

The Cranbrook Properties are all accessible by road and located within a 40 km radius of Cranbrook and Kimberley, British Columbia. Three properties (Dewdney Trail, Zinger and Eddy) cover historical gold showings and have the potential to host large tonnage gold deposits. The fourth property (Vine Property) has an historical resource estimate of 1.3 million tonnes averaging 2.2 g/t gold, 36.3 g/t silver, 3.12% lead, 3.12% zinc and 0.11% copper. This historical resource was not prepared using resource categorizations as set out in NI 43-101.

On April 26, 2012 PJX entered into the Vine Extension Option Agreement (the "Vine Agreement") with Klondike Gold Corp. ("KG"). Under the terms of the Vine Agreement, PJX can earn a 50% interest in KG's 6,300 hectare property by completing $1.5 million in work, with at least $1 million of the $1.5 million spent on drilling, and make share payments to a maximum total of 200,000 common shares over a 5 year period. Once PJX has exercised the option the companies will form a Joint Venture ("JV") owned 50% by PJX and 50% by KG; with PJX as operator. If either company decides not to participate in the JV their interest is diluted on a pro-rata basis to a 2% NSR with the other company having the right to purchase ½ of the 2% NSR for $2 million. The issuance of shares was approved by the TSX-Venture Exchange on May 9, 2012. Subsequent to year end, on March 26, 2013, the Agreement was amended by deferring the work commitments, and share payments to 24 and 36 months, respectively, from April 26, 2012.

DEWDNEY TRAIL PROPERTY

The Dewdney Trail Property is the largest in size and considered to be one of the most prospective because of gold discoveries found in geology favourable for hosting large tonnage SHV gold deposits. The large property is over 21,000 hectares in size and is located 29 km northwest of Cranbrook, British Columbia.

Placer gold provided the first exploration interest in the area, starting in the mid to late nineteenth century, with deposits on the Wild Horse Creek proving large and profitable. Anecdotal information suggests at least 1.5 million ounces (46.7 million grams) of gold have been recovered from the creek; however, no corresponding lode gold deposits of any size have been discovered in the rock, suggesting the Wildhorse Creek Area has undeveloped potential for gold deposits. The Dewdney Trail Property is located upstream from placer deposits in Wildhorse Creek and may host the source of the placer gold.

Mapping and prospecting during 2012 and 2013 identified more than 3 km of additional favourable geology with potential to host gold mineralization on the Dewdney Trail Property. This brings the total strike length of favourable geology to over 14 km. The favourable gold bearing quartzite-argillite unit ranges from 75 to over 200 m true width and has not been systematically explored or drilled. Rock grab samples of the unit from prospecting and mapping contain gold concentrations up to 15 g/t. This target unit is pervasively altered (sericite-quartz-pyrite-Fe oxide-Fe carbonate) and veined throughout its length and width. Veins are locally closely spaced (centimetre scale), have widths ranging from millimetres to centimetres, and range in length from centimetres to a metre. Given the significant size potential of the sedimentary unit, PJX considers the Dewdney Trail Property to have great gold deposit potential. In December 2010, RIT Minerals Corp. completed a 43-101 Technical Report (the "43-101") on the Dewdney Trail Property for the Company. A copy of the Technical Report was filed on SEDAR on May 24, 2011 and is available in the Company's filings on SEDAR (www.sedar.com).

The 43-101 concludes that the Dewdney Trail Property contains: i) 3 large-tonnage SHV gold prospects called Spirit, Tac ("Tackle") and Lewis; ii) a vein-type prospect called Jack Leg, and iii) a skarn and stockwork Cu-Au (possible porphyry) prospect called Dew Drop. In the author's opinion, exploration emphasis and expenditures should focus on the Spirit and Lewis showings as they exhibit many features in common that support potential for a large tonnage deposit of the SHV type. These zones have the following characteristics that make them suitable as bulk tonnage targets: (i) stratigraphic continuity measured in km; (ii) large, intense alteration systems featuring sericite-quart-pyrite-Fe carbonate-Fe oxide; (iii) centimetre scale spaced fractures throughout the host unit; (iv) evidence of resurgence; and (v) gold distributed throughout the host unit.

SHV deposits contain some of the largest gold reserves in the world. In Asia they include: Muruntau (>80M oz), SukHöy Log (>20 M oz), and Amantaytau, Daugiztau, Kumtor, Bakirchik, Olympiada, Nezhdaninskoe, Natalka and Maysky (all > 5 M oz); in Australia, deposits of the Victorian gold fields include the: Bendigo (> 20 M oz), Ballarat, Fostereville and Stawell; in New Zealand: the Macraes plus numerous smaller deposits; in South America there are enumerable small to medium deposits; and in North America numerous small to medium deposits occur in the Meguma terrane of Nova Scotia.

As a first stage of exploration, the Company contracted Aeroquest International Limited ("Aeroquest") to conduct detailed 75m line-spacing airborne geophysical (electromagnetic and magnetic) surveys over the 5 showing areas on the property during October and November 2010. Evaluation of the airborne survey data identified over 20 large target areas with the potential to host SHV gold deposits.

During 2011, 400 grab samples were collected from 60% of the 20 large target areas with gold mineralization potential initially identified by airborne geophysics on the Dewdney Trail Property. The Company also completed initial trenching and drilling programs on part of the Spirit Showing area to assess the orientation and continuity of structures and rock units hosting gold mineralization. PJX drilled 4 diamond drill holes (totaling 796 m) to test the quartzite unit at depth in one part of the M1 target area of the Spirit Showing. The drilling confirmed that anomalous gold mineralization is most often associated with the more altered, veined and fractured sections of the interbedded quartzites and argillites. The altered and veined zones in the drill core consistently contain anomalous gold ranging from 10 parts per billion ("ppb") up to 600 ppb. This low grade mineralization supports the potential for SHV deposits where a halo of anomalous gold mineralization can occur in rock units hosting ore deposits. Additional exploration is required across and along strike and/or at depth to help determine which direction may be most favourable for hosting a deposit. The results of this work will be used to plan the most efficient way to evaluate the entire M1 target area and other target areas on the property

Additional mapping, sampling and compilation of historical data during 2012 have further defined 2 large target areas (Lewis and Tackle) in addition to the M1 area. Lewis and Tackle have gold in soils over large areas that occur within rocks and structures favourable for hosting gold deposits. Exploration on the M1 and Lewis areas during 2013 has also identified fold structures that appear to influence the distribution and concentration of gold mineralization.

Outlook

The Lewis, Tackle and M1 target areas are the primary focus for exploration on the Dewdney Trail Property. New geological mapping has better defined the structural and geological controls that may influence gold deposit formation along the 14 km trend of gold mineralization in surface showings. This data will be compiled with other recent work and historical data to define targets for testing and future work.

ZINGER PROPERTY

The road-accessible Zinger Property is located 24 km west of Cranbrook, British Columbia. The large property with over 14,000 hectares of land is located on the north flank of Perry Creek, 5 km directly upstream from the historic Perry Creek placer gold deposits. PJX plans to explore the Zinger Property to determine whether it may have been a source for the placer gold.

Bedrock samples taken in 2008 and 2009 from the Zinger Property contain gold concentrations. The zone with mineralization is at least 8 km long and 1.5 km wide. Approximately 1,380 grab samples of bedrock were collected and assayed. Approximately 750 samples reported analyses above 20 ppb (0.02 g/t) gold. Of these, 86 samples ranged from 500 ppb (0.5 g/t) to 1000ppb (1.0 g/t), 101 samples ranged from 1000 ppb (1.0 g/t) to 5000 ppb (5.0 g/t), and 37 samples were equal to or greater than 5000 ppb (5.0 g/t) gold. The highest value reported was 39,597 ppb (39.6 g/t) gold.

Characteristics common to sample sites include: sericite-quartz-pyrite alteration; multiple veins sets on the millimetre and centimetre scale; brick red hematite staining; extensive silicification.

At one locality, the anomalous exposure was pressure-washed and channel sampled in an effort to better understand the distribution of gold within the exposure. One channel, cut oblique to bedding and across intense micro-veining and alteration, averaged 4.95 g/t Au over 3 m. The host Creston Formation quartzite is non-sulphide bearing; hence the presence of disseminated pyrite in association with gold represents an exploration vector.

Airborne electromagnetic (EM) and magnetic geophysical surveys were undertaken by Aeroquest in the Heart Lake area in 2010 and a follow-up VTEM survey by Geotech (2011) covered most of the 8 km long trend of gold in rock grab samples. The VTEM EM survey identified resistive zones that appear to correlate with the majority of the gold mineralization. In addition, the airborne magnetic data has identified a 5 km long magnetic trend that is somewhat coincident with the trend of gold analyses in rock.

Compilation of historical data with the new survey information identified a 5 km long magnetic and resistivity high trend in the airborne geophysics that is coincidental with gold in rock from surface grab samples. Mapping in 2012 and 2013 identified structural fold/flexures where sub-vertically dipping sediments warp or flex into a flat orientation and then return to a steep dip angle. These flexures in the sediments combined with cross faults appear to influence the location of alteration zones and possibly gold mineralization.

The newly discovered possible structural controls to the alteration and gold mineralization will need to be tested to identify areas that could host gold deposits. Two preliminary holes were drilled as a first phase to test separate sedimentary horizons with gold mineralization potential and to validate gold intersected in previous drilling by Chapleau Resources Inc. in 2003. Historical data obtained from the Government of British Columbia's Geological Survey Branch Assessment Reports Maps show Chapleau's hole intersected 0.48 g/t gold over 17.5 m in altered sediments from 7.5 m to 25 m.

PJX's hole (Hole ZG12-02) drilled behind and beneath Chapleau's hole intersected 2.92 g/t gold over 2 m within a broader interval of 0.50 g/t gold over 22.38m from a depth of 2.62 m (bedrock) down to 25 m. Additional anomalous gold mineralization was intersected sporadically in the 188 m long hole including a 9 m section with a weighted average grade of 0.38 g/t gold from 158 to 167 m. The gold mineralization appears to be associated with quartz veining and/or flooding in folded and sheared siltstones and argillites. The sediments are variably silicified and altered with sericite, chlorite and iron-carbonate. This gold mineralized zone supports the geological model for gold distribution that has been developed based on surface mapping.

Outlook
The broad zone of gold mineralization intersected by drilling supports the potential for structurally controlled gold deposits on the Zinger Property. Drilling results will be compiled with recent work and historical data to help define the strike and depth continuity of gold mineralization discovered and identify new targets for trenching and drilling on strike.

EDDY PROPERTY

The road accessible Eddy Property is located 14 km south west of Cranbrook, British Columbia and 6 km southeast of the Zinger Property. The large property covers more than 20,000 hectares of land on the north flank of the Moyie River. The Eddy Property hosts a succession of gold-mineralized quartz veins which occur along shear zones within the fold hinge of a regional anticline that is at least 9.5 km long. A total of 64 grab samples of bedrock have returned values up to 57 g/t Au and demonstrate the potential for high-grade gold concentrations along the shear zones.

The fold hinge and associated shears are breached by placer-bearing streams (e.g. Weaver Creek) that flow southeast or south into the Moyie River, a site of historical placer operations. Visible gold in shear-related quartz veins is commonplace, suggesting the shear zones may be the source of the placer gold. Alteration assemblage on the Eddy Property consists of quartz-sericite-pyrite-Fe carbonate, similar to the Dewdney Trail Project.

Prime geological targets for ore-body sized gold concentrations may occur at offsets along the Old Baldy shear fault system which traverses the Eddy Property for a distance exceeding 10 km. Several offsets in the fault system are consistent with releasing bends where shoot-like dilation zones for hosting gold may exist.

In October 2010, PJX contracted Aeroquest to conduct detailed 75 m line-spacing airborne geophysical (Electromagnetic and Magnetic) test surveys over 2 separate parts of the Eddy Property. The airborne survey identified potential structures and geology that may be associated with gold mineralization. In October 2011, the company contracted Geotech to fly a 695 km VTEM airborne magnetic and electro-magnetic survey over additional sections of the Eddy Property.

Compilation of historical data with the new survey information has identified 4 large VTEM conductivity anomalies. Four preliminary holes drilled in late 2012 to test the geophysical anomalies were inconclusive as the source of the anomalies could not be defined by the geology in the holes. Down hole geophysics on 2 of the holes (ED12-01, ED12-04) has identified moderate to strong conductors that may represent mineralized zones off to the side of the holes.

Outlook
Results from drilling and geophysics during 2012 are being compiled with historical work and have identified multiple areas with gold and base metal potential for further testing. Additional work will be required to better define the geophysical anomalies and geological controls prior to further testing.

VINE PROPERTY (including the Vine Extension)

The road-accessible Vine Property is located 11 km south of Cranbrook, British Columbia. The property was initially 459 hectares in size and has since been expanded to over 8,000 hectares through staking and optioning the Vine Extension.

In the late 1970s, Cominco discovered lead, zinc and silver mineralization in Proterozoic aged Middle Aldridge Formation argillites and quartzites on the Vine Property. In 1989, Kokanee Exploration Ltd. optioned the Vine Property from Cominco. The claims were allowed to lapse over time. Supergroup Holdings Ltd. staked the claims in 2000 and sold the Vine Property to SG in 2005.

The following summary of the Vine occurrence is quoted from the B.C Ministry of Energy Mines, and Petroleum Resources' Minfile Record Summary (082GSW050):

> *"The Vine 1 occurrence is a shear-related vein system in Middle Aldridge Formation argillites and quartzites. Trenching and drilling has exposed massive and disseminated sulphides (pyrite, sphalerite and galena) within a sheared vein system striking about 120 degrees and dipping 45 to 85 degrees to the northwest. Stringer and disseminated sulphides are conspicuous in the shear zone for several metres on either side of the massive sulphides. The mineralized Vine structure has been traced for over 1000 metres along strike and a downdip extension of at least 700 metres.*
>
> *Recent drilling (1990) of the Vine structure (630 metres depth) has intersected 3 massive sulphide veins. The upper vein has a true width of 4 metres, the middle vein a true width of 2 metres and the lower vein a true width of 3.4 metres. The upper vein averages 2.94 per cent lead, 0.2 per cent zinc and 29.13 grams per tonne silver across 4 metres. The middle vein averages 36.24 per cent lead, 12.16 per cent zinc, 229.67 grams per tonne silver and 0.34 grams per tonne gold across 2 metres. The lower vein averages 4.7 per cent lead, 2.09 per cent zinc, 0.36 per cent copper and 35.3 grams per tonne silver across 3.4 metres. The lower vein represents a new sulphide zone within the Vine structure (George Cross News Letter #224 (November), 1991).*
>
> *Proven and probable reserves for the Vine property are 1,300,000 tonnes grading 2.2 grams per tonne gold, 36.3 grams per tonne silver, 3.12 per cent lead, 3.12 per cent zinc and 0.11 per cent copper (MDAP - Kokanee Exploration Ltd. Prospectus (1990))."*

Kokanee Exploration Ltd.'s resource estimate reported above is a historical estimate and was not prepared using the resources categorizations set out in NI 43-101. The Company is not aware of any more recent resource estimate for this property. The Company is uncertain as to the relevance or reliability of the historical estimate.

As a first stage of exploration the Company contracted Geotech to fly a VTEM airborne survey over the Vine Property. This survey identified a large conductive body to the southwest of the Vine vein structure.

In 2012 Terralogic Exploration Services, (geologic consultants for PJX) completed entering historical Vine deposit drilling data into a digital format for computer modeling. Rock and soil samples were taken during 2012 to assess potential mineralized trends at surface. Compilation and modeling suggest the mineralized Vine vein structure continues to depth and along strike beyond previous drilling. The compilation also suggests the potential for bedded massive sulphide mineralization at depth. This flat lying mineralized zone may correlate with a large VTEM conductivity anomaly near surface approximately 1.5 km away and up-dip.

In November 2012, Quantec Geoscience Ltd. was contracted to undertake a geophysical program on the Vine Extension Property in vicinity of the up-dip conductor. The survey identified a somewhat flat-lying, 10 m thick conductive body at depth.

In April 2013, a preliminary drill hole was completed to test on strike of a somewhat flat lying mineralized horizon that may be similar in style of mineralization to the Sullivan deposit. The hole intersected a fault at the target depth. The fault appears to have offset the favourable horizon. Subsequent Electromagnetic and Gravity geophysical surveys were undertaken to locate where the fault may have moved the favourable horizon.

The preliminary gravity geophysical work conducted by Excel Geophysics Inc. has identified a positive gravity anomaly, located north of the Vine vein occurrence that defines an area approximately 2 km in width and 3-4 km in length with an apparent shallow dip to the north. The gravity anomaly identifies more dense material that could represent massive sulphides. It appears to parallel stratigraphy within Proterozoic-age Aldridge Formation sedimentary rocks that correlate with those that hosted the Sullivan lead-zinc-silver massive sulphide deposit, located 35 km north of the property.

The interpreted sulphide potential is supported by two historical holes drilled by Kokanee Explorations Ltd. in 1990 and Consolidated Ramrod Gold Corporation in 1994. Each of the holes intersected lead-zinc-silver mineralization in massive sulphides at depths of approximately 700m and are located on the western edge of the gravity anomaly. The geophysics has identified multiple targets for testing. Based on the results of this work, an additional 3900 hectares of favorable geology with potential to host Sullivan style mineralization have been staked.

Outlook
The last significant drilling done on the Vine Property was between 1989 and 1992. PJX plans to carry out additional geophysics and utilize the recent and historical data to define the potential size, and depth extent of the new targets prior to drilling.

OTHER PROPERTIES

PJX staked 1,069 hectares of land in British Columbia (Arrow Lake Property) to review historical data and determine if gold and other metal potential of those areas warrants exploration programs. No significant expenditures are proposed for these project generative properties at this time.

In April 2013, drilling commenced to test base metal and gold targets on the Vine Property. Additional Electromagnetic and Gravity geophysical surveys were also undertaken. Given the positive results of this work, an additional 3,900 hectares of geology favorable to host a Sullivan style deposit have been staked in the West Basin area. Further geophysical work is planned to properly define the targets before testing.

Results of Operations

The following schedule describes exploration expenses for each project incurred since inception and for the three and nine months ended September 30, 2013 and 2012.

	Three months		Nine months		
Periods ended September 30,	**2013**	2012	**2013**	2012	Balance since inception
Dewdney Trail Gold Property	**50,764**	$ 34,767	**$ 73,517**	$ 111,993	$ 828,598
Eddy Gold Property	**51,797**	26,021	**62,352**	47,162	495,730
Zinger Gold Property	**73,478**	54,641	**103,884**	72,052	390,732
Vine Property	**54,476**	14,604	**207,874**	49,365	339,947
Vine Extension	**-**	-	**9,849**	-	19,724
West Basin	**-**	-	**4,711**	-	4,711
	230,515	130,033	**462,187**	280,572	2,079,442
Write-offs:					
Gold Creek & Others	**-**	525	**1,194**	525	4,691
Bruyere	**-**	-	**-**	-	12,000
Total exploration expenses	**$ 230,515**	$ 130,558	**$ 463,381**	$ 281,097	$ 2,096,133

The following schedule compares exploration expenses by function incurred during the three and nine months ended September 30, 2013 and 2012:

Periods ended ended September 30,	Three months 2013	2012	Nine months 2013	2012	Balance Since inception
Geology, geophysics and geochemistry	**$ 29,632**	$ 66,467	**$ 133,574**	$ 190,486	$ 999,120
Exploration-Other Accomodations	**-**	-	**-**	2,440	2,440
Permitting	**-**	1,795	**1,858**	6,370	36,862
Land rights & claim management	**-**	523	**18,279**	523	46,393
Drilling	**-**	-	**95,282**	-	398,878
Laboratory	**20**	3,711	**4,213**	12,864	135,283
Roads and surface preparation	**383**	8,085	**977**	8,085	70,944
Camp cost and exploration supplies	**-**	1,740	**878**	3,415	7,941
Exploration - Travel & transportation	**8,612**	4,618	**9,269**	7,643	35,776
Exploration- Meals	**668**	1,410	**708**	2,300	4,333
Rent - field office	**1,200**	2,100	**4,800**	3,715	12,115
Surface sampling and mapping	**-**	109	**-**	3,256	50,505
Legal expenses	**-**	-	**3,543**	-	3,543
Option payments	**190,000**	40,000	**190,000**	40,000	292,000
	$ 230,515	$ 130,558	**$ 463,381**	$ 281,097	$ 2,096,133

The most significant exploration expenditures incurred during the third quarter of fiscal 2013 were related to the remaining unearned exploration rights for the Dewdney Trail, Eddy, Zinger and Vine properties, from SG, for a total payment of $190,000 composed by cash payments of $50,000 and $75,000 paid on September 13, 2013 and October 16, 2013, respectively, and the issuance of 500,000 PJX common shares, with a fair value of $65,000 on October 16, 2013. The charge was equally allocated among each of the above mentioned properties during the third quarter of fiscal 2013. In addition, professional fees (geology) totalling approximately $12,000 were incurred on the Zinger property. No other significant exploration expenses were incurred during the quarter.

For the nine months ended September 30, 2013 exploration efforts where concentrated on the Vine property with approximately $93,000 spent on drilling, where an historical hole was accessed and extended 400 meters, and approximately $54,000 spent on geophysics.

General and administration:

The following schedule describes PJX general and administration expenses for the three and nine months periods ended September 30, 2013 and 2012:

Periods ended September 30,	Three months 2013	2012	Nine months 2013	2012	% change
Insurance	**$ 3,443**	$ 2,430	**$ 10,418**	$ 9,103	14.4%
Interest, Bank Charges and Penalties	**81**	15	**281**	235	0.0%
Investor Relations	**21,990**	37,581	**89,898**	135,170	-33.5%
Listing and regulatory fees	**6,108**	10,598	**26,614**	25,566	4.1%
Office Expenses	**(2,248)**	7,214	**10,398**	16,898	-38.5%
Professional fees	**10,281**	7,829	**49,188**	63,483	-22.5%
Rent	**357**	420	**1,346**	1,140	18.1%
Salaries and benefits	**66,076**	132,249	**204,905**	272,259	-24.7%
Travel & transportation	**13,954**	7,695	**23,212**	19,046	21.9%
	$ 120,042	$206,031	**$ 416,260**	$ 542,900	-23.3%

The most significant changes in general and administration ("G&A") during the three months ended

September 30, 2013, when compared to the same period of fiscal 2012, were investor relations, and salaries. The reduction in investor relations expenses is mainly the result of reduced investor relations activities. The decrease in salaries is the result of extraordinary bonuses paid to senior management during the three month ended September 30, 2012 totalling $66,000. The increase in traveling expenses and reduction in office expenses is due to the reclassification of certain previously mis-classified traveling expenses.

For the nine month period ended September 30, 2013, when compared to the same period of fiscal 2012 the most significant changes were the reduction in investor relations expenses by $45,272 is explained by the reduction in Company's investor relations activity triggered by current economic conditions. The decrease in professional fees of $14,295 is explained by the one-time financing fee of $25,000 charged by IBK during fiscal 2012 and the reduction in accounting fees of approximately $7,000 partially offset by an increase in legal fees of approximately $17,000. The decrease in office expenses is mainly due to a general reduction in office related expenses, printing and postage.

Summary of Quarterly Results (Unaudited)

The following table sets forth a breakdown of material components of the G&A and exploration costs of the Company for each of the eight most recently completed quarters:

Quarter Ended	Revenue	Net income (loss)		Exploration	General and
		Total	Per Share	expenses	administration
September 30, 2013	Nil	$ (350,557)	($0.01)	$ 230,515	$ 120,042
June 30, 2013	Nil	(317,900)	(0.01)	153,241	164,659
March 31, 2013	Nil	(173,614)	(0.01)	79,625	131,559
December 31, 2012	Nil	(496,474)	(0.02)	341,835	210,039
September 30, 2012	Nil	(336,589)	(0.01)	130,558	206,031
June 30, 2012	Nil	(243,879)	(0.01)	61,826	182,053
March 31, 2012	Nil	(399,197)	(0.02)	88,713	154,816
December 31, 2011	Nil	(574,714)	(0.04)	543,149	31,565

Liquidity and Capital Resources

On September 25, 2012 PJX closed the first tranche of a non-brokered private placement where the Company issued 5,814,500 units for gross proceeds of $985,720 by issuing 1,385,000 flow-through units ("Flow-through Unit") at a price of $0.20 per flow-through unit, and 4,429,500 non-flow-through units ("Unit") at a price of $0.16 per non-flow through unit.

On October 9, 2012, PJX closed the second tranche of a financing referred above for gross proceeds of $500,000 by issuing 3,125,000 non-flow-through units at $0.16 per unit. Each unit consists of one common share and one non-transferable common share purchase warrant.

On December 28, 2012 the Company closed a non-brokered private placement for gross proceeds of $150,000 by issuing 750,000 flow-through units at a price of $0.20 per unit.

Subsequent to quarter end, the Company announced the placement of 4.8 million units for total proceeds of up to $600,000. (See "Events Subsequent to Period End", under "Highlights for Q3 2013", above).

As at September 30, 2013, the Company had a working capital of $220,349 and a cash position of $338,186 that will be used to for general and administrative expenses and limited exploration focused on priority targets on its properties.

While the company intends to continue to seek financing and other opportunities to support future exploration activities, the Company's financing efforts to date are not sufficient in and of themselves to enable the Company to fully fund all aspects of its operations and commitments and there is no assurance that future financing initiatives will be successful or sufficient.

A loss of confidence in the broader U.S. and European markets as well as the sovereign debt and deficit issues across the globe create a climate of greater volatility, decreased liquidity, widening of credit spreads, increased credit losses and tighter credit conditions. These disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult to obtain, or increase our cost of obtaining capital and financing for the Company's operations.

The Company has no producing properties and, consequently, has no current operating income or cash flow. The Company's access to capital may not be available on terms acceptable to the Company or at all. Financing of the Company's activities to date has been obtained from equity issues. The continuing short-term development of the Company's properties therefore depends on the Company's ability to obtain additional financing through equity investments. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and evaluation of the property interests of the Company with the possible dilution or loss of such interests. The Company's expected cash position will enable it to fund the Corporation's planned exploration program, operating expenses and unallocated working capital into the fourth quarter of 2013.

Outlook

PJX's management are encouraged by the positive results received from the exploration completed to date. New geological mapping, geophysics and sampling combined with historical data have identified three large target areas with gold deposit potential on the Dewdney Trail Property. Recent geological mapping and drilling on the Zinger Property have identified possible structural controls for the gold mineralization in surface sampling that occurs along an 8 km trend. Compilation of historical data and new airborne and other survey results have identified gold and base metal deposit targets on the Eddy Property. Historical drill holes on the Vine property have been digitized for computer modelling to help identify targets for drilling on strike and at depth of the Vine deposit. Preliminary drilling to test some of the Vine targets commenced in late March of 2013. Given the potential of the targets identified to date, the company has increased its land holdings by staking and acquiring land through option agreements. Exploration work by PJX has successfully identified prospective target areas to host gold and/or base metal deposits on all the properties. The company plans to focus resources on defining locations within these target areas to test by trenching and drilling, and continue to develop additional targets through field surveys and further compilation of historical data.

As with all junior exploration companies, financing is a necessity to advance properties to the discovery stage. Although gold and base metal prices have softened recently they continue to remain strong in historical terms. Given our properties' positive exploration results and proximity to existing infrastructure in a favourable mining jurisdiction, PJX believes it is well positioned to attract investor interest. A priority will also be to continue marketing efforts to promote PJX's exploration results and potential.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, capital lease agreements or long-term debt obligations.

Related Party Transactions

During the three and nine month-periods ended September 30, 2013 and 2012 the Company contracted legal services from firms where a partner is also a director of PJX .

The following schedule shows payments made during the three and nine month-periods ended September 30, 2013 and 2012 to these companies.

	Three months		Nine months	
Periods ended September 30,	**2013**	2012	**2013**	2012
Fees to legal firm where a director of PJX is a partner	**6,487**	-	**22,253**	1,500
	$ 6,487	-	**$ 22,253**	$ 1,500

b) Key management compensation:

Key management includes directors (executive and non-executive), and senior officers (Chief Executive Officer and Chief Financial Officer). The compensation paid or payable to key management for employee services is shown below:

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	Three months		Nine months	
Periods ended September 30,	**2013**	2012	**2013**	2012
Salaries	**$ 66,000**	$ 132,000	**$ 198,000**	$ 264,000
Stock-based compensation	**-**	-	**-**	226,858
	$ 66,000	$ 132,000	**$ 198,000**	$ 490,858

Payables to related parties are due thirty days after reception and bear no interest. All transactions with related parties are on an arm's length basis and recorded at exchange amounts.

Proposed Transactions

Other than previously described in the Events Subsequent to the Period End section on page 4 of this document, there are no proposed transactions that will materially affect the performance of the Company. As is typical of the mineral exploration sector, PJX is continually reviewing potential property acquisitions, non-core asset disposal and joint venture transactions and opportunities.

Commitments, Contingencies and Contractual Obligations

The Company is a party to certain employment contracts. These contracts contain clauses requiring that $396,000 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in the Company's consolidated financial statements.

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As at September 30, 2013, the Company's contractual obligations or commitments to maintain its interest in the Vine Extension Property, and other required payments over the next five years are summarized as follows:

	2014	2015	2016	2017 and thereafter	Total
Option payments	$ -	$ -	$ -	$ -	$ -
Work commitments	65,151	150,000	275,000	1,000,000	1,490,151
	$ 65,151	$ 150,000	$ 275,000	$ 1,000,000	$ 1,490,151

Although there are approximately $1.4 million in existing commitments, the payment of these commitments is dependent on PJX retaining the mineral properties. If the Company decides to discontinue its interest in the Vine Extension Property, the related commitment would cease to exist.

The following schedule describes the work commitments that PJX has with Klondike Gold Corp. on its Vine Extension Property.

Vine Extension Option agreement:

Year	Commitment	Actual Expenses	Incurred Cummulative	Outstanding commitment
2013	$ -	$ 9,849	$ 9,849	$ (9,849)
2014	75,000	-	9,849	65,151
2015	150,000		9,849	215,151
2016	275,000	-	9,849	490,151
2017	400,000	-	9,849	890,151
2018	600,000		9,849	1,490,151
2019			$ 9,849	$ 1,490,151
	$ 1,500,000			

In addition to the work commitments and option payments underlined in the above table, the Company is required to issue to the optionor of the Vine Extension property a total of 200,000 common shares of the Company, in 4 instalments of 50,000 shares per year starting March 2015.

Trend Information

There are no major trends which are anticipated to have a material effect on the Company's financial condition and results of operations in the near future.

Critical Accounting Estimates and Changes in Accounting Policies

i) Significant accounting judgments and estimates

The preparation of PJXs' financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The Company financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. The estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future event that are believed to be reasonable under the circumstances.

<u>Critical accounting estimates</u>

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements:

- The recoverability of sales taxes receivable which are included in the statements of financial position. The Company recognizes all sale tax debits generated. The Company cannot be certain of the full recoverability of these amounts which could be material.

- The inputs used in accounting for share-based payment transactions in profit or loss. PJX estimates the value of stock based compensation granted using the Black-Scholes valuation method. Several assumptions including volatility and risk-free interest rate and expected option life are significant assumptions used in determining the values of options.

- The inputs used in accounting for share purchase warrants transactions in the statement of financial positions. PJX estimates the warrants issued using a standard valuation method. Several assumptions including volatility and risk-free interest rate and expected option life are significant assumptions used in determining the values of options.

Accounting Policies
The accounting policies followed by the Company in the preparation of its condensed consolidated interim financial statements are consistent with those of the previous financial year, except as described below.

<u>Changes in accounting policies</u>

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. The changes were made in accordance with the applicable transitional provisions.

(i) IFRS 10, *Consolidated Financial Statements*, replaces the guidance on control and consolidation in IAS27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27.The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status since it does not have any subsidiaries or investees.

(ii) IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures*, and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures (amended in 2011).* The other amendments to IAS 28 did not affect the Company. The Company currently has no joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

(iii) IFRS 13, *Fair value measurement*, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

(iv) The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reviewed its comprehensive income items for the comparative period. The adoption of the policy did not result in any adjustments to other comprehensive income or comprehensive income.

Financial Instruments and other instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, deposits and advances, accounts payable and accrued liabilities. Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted.

Fair Value

Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The book values of the cash, other receivables, other financial assets, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Board of Directors.

<u>Credit risk</u>

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, tax credit receivable and sales tax receivable. Cash and cash equivalents are held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. Financial instruments include sales tax receivable. Management believes that the credit risk concentration with respect to financial instruments is minimal. PJX is not involved in any situations involving extended payment terms.

<u>Liquidity risk</u>

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2013, the Company had cash and cash equivalents balance of \$338,186 (December 31, 2012: \$1,119,490) to settle current liabilities of \$136,566 (December 31, 2012: \$171,496). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company does not have or expect to have a working capital deficiency. There is no default or arrears or significant risk of default or arrears on any payments (dividend, lease, principal or interest), on any debt covenants or on any redemption or retraction or sinking fund payments of PJX.

Market risk

Interest rate risk

The Company's current policy is to invest excess cash in interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy.

Sensitivity analysis

As of September 30, 2013, both the carrying and fair value amounts of the Company's financial instruments are the same. Based on Management's knowledge and experience of the financial markets, the Company believes that is “reasonably possible” that commodity price fluctuation could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of mineral commodities. As of September 30, 2013, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Capital Management

When managing capital, the Company’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2013. The Company is not subject to externally imposed capital requirements.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

PJX's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

In addition to other information set forth elsewhere in the financial statements, readers should carefully consider the comprehensive list of risk factors, included in the Long Form Prospectus under *"Risk Factors"*. The Long Form Prospectus is available in the Company's filings on SEDAR (www.sedar.com).

Liquidity and Capital Markets Risks

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and evaluation of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and evaluation of the property interests of the Company with the possible dilution or loss of such interests.

Outstanding Share Data

Details about the Company's outstanding capital structure as at November 26, 2013 are as follows:

Common shares issued and outstanding	32,525,201
Potential issuance of common shares - warrants	11,406,860
Stock based compensation	3,252,000
	47,184,061

The Company has a Stock Option Plan (the "Plan") to provide incentive for the directors, officers, employees, consultants and service providers of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the outstanding common shares. As at September 30, 2013 all based compensation shares are fully vested.

Subsequent to quarter end the Company granted an aggregate of 1,018,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Stock Option Plan, at an exercise price of $0.15 per share. The options are fully vested and exercisable until November 15, 2018.

Subsequent to quarter end, on November 20, 2013, the Company announced a non-brokered private placement of up to 4.8 million units for total proceeds of up to $600,000 through the issuance of flow through ("Flow Through Unit") and non-flow-through ("Unit") units at a price of $0.15 per flow through unit and $0.125 per non-flow through unit. Each Unit, whether acquired as part of a Unit or a Flow Through Unit, will consist of one common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.20 for 24 months following completion of the offering.

Qualified Person

The following scientific and technical information has been prepared or reviewed by John Keating, P.Geo. President and Chief Executive Officer of the Company. Mr. Keating also supervises all work associated with the Company's exploration programs and is a "qualified person" within the meaning of National Instrument 43-101.

Corporate information

Directors
John Keating, P.Geo[3]
President & CEO of PJX Resources Inc.
Ottawa, Ontario, Canada

Linda Brennan, B.Comm[1] [2]
CFO, PJX Resources Inc.
Toronto, Ontario, Canada

James Clare, LLB
Partner, Bennett Jones LLP
Toronto, Ontario, Canada

Kent Pearson, P.Geo [1] [2]
Toronto, Ontario, Canada

Joseph Del Campo, CMA [1]
Toronto, Ontario, Canada

Somerset Parker[1] [2]
Toronto, Ontario, Canada

(1) Audit Committee
(2) Compensation Committee
(3) Executive Chairman

Officers
John Keating, P.Geo
President, CEO, PJX Resources Inc.
Ottawa, Ontario, Canada

Linda Brennan, B.Comm
CFO, PJX Resources Inc.
Toronto, Ontario, Canada

Stock Listing
TSX Venture Exchange
Tier 2 Company,
Trading Symbol PJX
CUSIP: 72585A 10 9

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Investor Relations
Further information about the Company is available on the Company's website at www.pjxresources.com

The Company's filings with Canadian securities regulatory authorities can be accessed on SEDAR at www.sedar.com